



DEPARTMENT OF INSURANCE

STATE OF ARIZONA

Financial Affairs Division – Tax Unit

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ACH PAYMENT OPTION INSTRUCTIONS

The Arizona Department, in cooperation with the State Treasurer's Office and Bank of America, has established a program that offers insurers the option of paying their insurance premium taxes and fees electronically via ACH CREDIT. Although this program is optional at this time, ***all companies are encouraged to participate.***

The method of payment selected is the Automated Clearing House (ACH) Cash Concentration and Disbursement Plus credit (CCD+). The file structure is designed according to the recommended industry standard format for tax payments developed by the Federation of Tax Administrators and the EDI Bankers Council of NACHA.

IMPORTANT: Selection of this option will require your financial institution to originate a CCD+ credit NACHA format. Before committing to this option, please verify with your financial institution that they have the capability of originating a CCD+ formatted transmission.

NOTE: File structure **MUST** conform exactly to the specifications detailed in the instructions.

Those companies not electing to participate in electronic filing may continue to pay their premium tax payments using checks. Simply continue to mail the check payable to the Arizona Department of Insurance with the completed tax and fee forms to the address printed on the form.

Interested taxpayers may file all insurance premium tax payments (Annual as well as Installment) required in Arizona using this payment method, but the EFT program described herein is acceptable for INSURANCE PREMIUM TAX AND APPROVED RELATED PAYMENTS ONLY. You will **not** be permitted to transmit payments for other State of Arizona taxes (e.g.: Corporate Withholding taxes or Unemployment taxes) through this program. Contact other agencies directly for details on their specific EFT programs.

This Instruction Package provides detailed instructions for generating a full Automated Clearing House (ACH) file. Please note: THESE INSTRUCTIONS MUST BE FOLLOWED EXACTLY. If you have any questions, contact your financial institution or the Arizona Department of Insurance at:

Firms that have an Arizona Surplus Lines license must complete and file a Form E-ACH.SLB before paying surplus lines tax by ACH.

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PLEASE RETAIN THESE INSTRUCTIONS FOR YOUR RECORDS

STATE OF ARIZONA - ACH PAYMENT OPTION INSTRUCTIONS

IN ADDITION TO THE ATTACHED FILE SETUP DETAILS, PLEASE NOTE THE FOLLOWING:

Arizona Insurance Department SPECIFIC INSTRUCTIONS:

- These instructions for electronic funds transfer to this bank account are for **INSURANCE PREMIUM TAX AND AUTHORIZED RELATED PAYMENTS ONLY**. Do not transmit payments for other state of Arizona tax amounts, e.g.: Corporate Withholding tax or Unemployment tax, to this account.
- **Insurance tax payments are always a Tax Type “71”** (see Page 7, Addenda Record). If another tax type, e.g.: ‘1101’ or ‘220’ is used, there is a chance the payment will be rejected, and the company could be subject to late filing administrative penalties.
- **IMPORTANT:** The following Company Types that are only required to pay annual fees are NOT required to file an Annual Fees Report form with the Arizona Department of Insurance if they remit the total annual fees payment via ACH delivery in accordance with these instructions.

COMPANY TYPE	ANNUAL FEES REPORT FORM NAME
DOMESTIC LIFE & DISABILITY REINSURER	E-LR
DOMESTIC MECHANICAL REIMBURSEMENT REINSURER	E-MRR
DOMESTIC TITLE INSURER	E-TITLE.DOMESTIC
DOMESTIC UNAFFILIATED CREDIT LIFE & DISABILITY REINSURER	E-UCLDR
FOREIGN OR ALIEN ACCREDITED REINSURER	E-AR
FOREIGN OR ALIEN ACCREDITED REINSURER TRUST or ACCREDITED REINSURER BASED ON SURPLUS	E-QRT

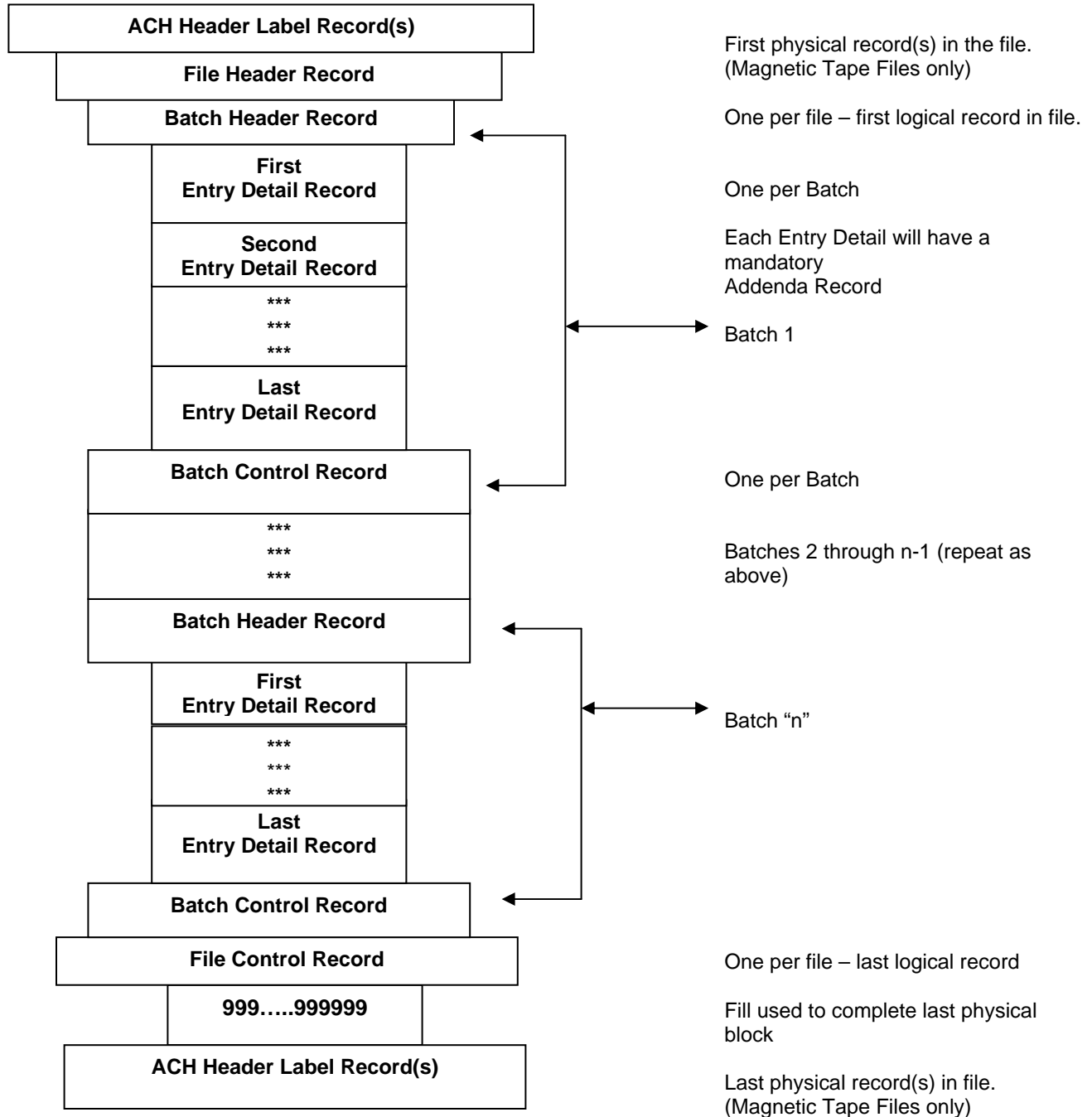
- The company’s nine-digit federal employer identification number (EIN#) is the taxpayer identification number. **Do not include the hyphen when listing the EIN number.** If the company changes their EIN number for any reason, **written notice of the change must be received by the Tax Unit** of the Arizona Insurance Department **before** electronic funds transfer may be initiated using the new EIN number.
- The transfer must be initiated so that the money is deposited as collected funds to the State of Arizona’s account on or before the date the tax is due. If the due date is a Saturday, Sunday, or a holiday, the next business day is the due date. **To ensure that the transfer is timely, the call must be made early enough on the business day prior to the due date for the transfer to be available at the Federal Reserve to be credited to the State of Arizona’s account on the due date.** Applicable penalty and/or interest will be based on the date money is actually deposited with the State Treasurer’s Office, not the date the transfer is initiated.

General (NACHA Standard) Instructions:

- All **alphanumeric** and **alphabetic fields** must be *left* justified and blank filled.
- All **numeric fields** must be *right* justified, unsigned, and zero filled.
- Use **UPPERCASE** letters only in alphanumeric fields.
- Cents must always be reported. If the tax payment is even dollars, use zeros for cents.
- **Do not** include the word “The” at the beginning of the company’s name.

STATE OF ARIZONA - ACH PAYMENT OPTION INSTRUCTIONS

SUMMARY DIAGRAM OF SEQUENCE OF RECORDS FOR CCD+ TRANSMITTALS



STATE OF ARIZONA - ACH PAYMENT OPTION INSTRUCTIONS

FILE HEADER RECORD

Field Description	Length	Position	Contents	Mandatory/Optional/ Blank
Record Type Code	1	01-01	"1"	M
Priority Code	2	02-03	"01"	M
Immediate Destination	10	04-13	" 122101706"	M
Immediate Origin	10	14-23		M
File Creation Date	6	24-29	YYMMDD	M
File Creation Time	4	30-33	HHMM	M
File ID Modifier	1	34-34		Blank
Record Size	3	35-37	"094"	M
Blocking Factor	2	38-39	"10"	M
Format Code	1	40-40	"1"	M
Immediate Destination Name	23	41-63	"Bank of America"	O
Immediate Origin Name	23	64-86		O
Reference Code	8	87-94		Blank

FILE HEADER RECORD Field Descriptions

Record Type Code:	Identifies the NACHA record type. The File Header Record is always a type "1"
Priority Code:	Fill with "01"
Immediate Destination:	Fill with " 122101706". Bank of America's ABA number <u>preceded by a blank space.</u>
Immediate Origin:	Originating Bank's ABA number <u>preceded by a blank space.</u> Contact company's financial Institution for this information.
File Creation Date:	Transmission date. Use the YYMMDD format.
File Creation Time:	Transmission time. Use the HHMM format.
File ID Modifier:	Blank fill. This field is not applicable at this time.
Record Size:	Fill with "094"
Blocking Factor:	Fill with "10"
Format Code:	Fill with "1"
Immediate Destination Name:	"BANK OF AMERICA" should be used as the immediate destination name.
Immediate Origin Name:	Use All CAPITAL letters. Company Name up to 23 positions. If the name is greater than 23 positions, please fill with the first 23 letters. Do not include the word "The" at the beginning of the Company Name. Must be individual company's name. DO NOT use a group or account name.
Reference Code:	Blank fill. This field is for Bank use only.

STATE OF ARIZONA - ACH PAYMENT OPTION INSTRUCTIONS

BATCH HEADER RECORD

Field Description	Length	Position	Contents	Mandatory/Optional/ Blank
Record Type Code	1	01-01	"5"	M
Service Class Code	3	02-04	"220"	M
Company Name	16	05-20		M
Company Discretionary Data	20	21-40		M
Company Identification Number	10	41-50	"1#####"	M
Standard Entry Class Code	3	51-53	"CCD"	Blank
Company Entry Description	10	54-63	"TAX PAYMENT"	M
Company Descriptive Date	6	64-69	YYMMDD (tax due date)	M
Effective Entry Date	6	70-75	YYMMDD (actual date of payment)	M
Settlement Date	3	76-78		Blank
Originator Status Code	1	79-79	"1"	M
Originating Financial Institution	8	80-87		Blank
Batch Number	7	88-94		Blank

BATCH HEADER RECORD Field Descriptions

Record Type Code:	Identifies the NACHA record type. The Batch Header Record is always a type "5"
Service Class Code:	Fill with "220". Indicates the standard service class code for ACH Credits.
Company Name:	Use All CAPITAL letters. Company Name up to 16 positions. If the name is greater than 16 positions, please fill with the first 16 letters. Do not include the word "The" at the beginning of the Company Name. Must be individual company's name. DO NOT use a group or account name.
Company Discretionary Data:	<u>Insurance Company:</u> Fill with 5-digit NAIC Number. <u>Business Entity paying Surplus Lines tax:</u> Fill with 5, 6 or 7-digit Arizona Producer License Number. <u>AHCCCS Contractor or Insurance Company with no 5-digit NAIC Number:</u> <i>Call Tax Unit at (602) 912-8429 to confirm Arizona Company Number for this field.</i> Left justified. Zero filled.
Company Identification Number:	Company federal tax identification number (FEIN), <u>preceded by the number "1"</u> and without a hyphen.
Standard Entry Class Code:	Fill with "CCD". Indicates the standard entry class code for Tax Payments.
Company Entry Description:	Fill with "TAX PAYMENT".
Company Descriptive Date:	The Tax Period End Date (Due date – 3/01, 3/15, 4/15, etc). Use YYMMDD format.
Effective Entry Date:	The actual date funds will be transferred from the company's account into the State of Arizona's account. Use YYMMDD format.
Settlement Date:	Blank fill. This field will be filled with the Julian Date by the ACH operator.
Originator Status:	Fill with "1".
Originating Financial Institution:	Blank fill. The sending financial institution will fill these fields with numbers that will allow the transaction to be tracked through the ACH system.
Batch Number:	

STATE OF ARIZONA - ACH PAYMENT OPTION INSTRUCTIONS

ENTRY DETAIL RECORD

Field Description	Length	Position	Contents	Mandatory/Optional /Blank
Record Type	1	01-01	"6"	M
Transaction Code	2	02-03	"22"	M
Receiving DR Identification	8	04-11	"12210170"	M
Check Digit	1	12-12	"6"	M
State of Arizona Account Number	17	13-29	"4681682199"	M
Tax Payment Amount	10	30-39	\$\$\$\$\$\$c¢	M
Taxpayer Identification Number	15	40-54	"#####000000"	M
Taxpayer Business Name	22	55-76		M
Discretionary Data	2	77-78		Blank
Addenda Record Indicator	1	79-79	"1"	M
Trace Number	15	80-94		Blank

ENTRY DETAIL RECORD Field Descriptions

Record Type Code:	Identifies the NACHA record type. The Batch Header Record is always a type "6"
Transaction Code:	Fill with "22". Specifies that this transaction is a CREDIT to the State of Arizona checking account.
Receiving DR Identification:	First 8 digits of State of Arizona Routing Number. Fill with "12210170". Indicates Bank of America's ABA number. IMPORTANT: In this segment the ABA number is NOT preceded by a blank space.
Check Digit:	Last digit of State of Arizona Routing Number. Fill with "6".
State of Arizona Account Number:	Fill with "4681682199".
Tax Payment Amount:	The Total Amount that will be transferred from the company to the State of Arizona. <u>No decimal point.</u> Zero filled.
Taxpayer Identification Number:	Company's federal tax identification number (FEIN). Left justified, zero filled. Do not include hyphen. IMPORTANT: In this segment the EIN number is NOT preceded by the number "1".
Taxpayer Business Name:	Company Name up to 22 positions. Use All CAPITAL letters. If the name is greater than 22 positions, please fill with the first 22 letters. Do not include the word "The" at the beginning of the Company Name. Must be individual Company's name. DO NOT use a group or account name.
Discretionary Data:	Blank fill.
Addenda Record Indicator:	Fill with "1". Indicates that payment details are contained in the NACHA Addenda Record following this Entry Detail Record.
Trace Number:	Blank fill. The sending financial institution will fill this field with a reference number that will allow the transaction to be tracked through the ACH system.

STATE OF ARIZONA - ACH PAYMENT OPTION INSTRUCTIONS

ADDENDA RECORD

Field Description	Length	Position	Contents	Mandatory/Optional/ Blank
Record Type Code	1	01-01	"7"	M
Addenda Type Code	2	02-03	"05"	M
Segment Identifier	3	04-06	"TXP"	M
Separator	1	07-07	"*"	M
Taxpayer ID Number	9	08-16	"#####"	M
Separator	1	17-17	"*"	M
Tax Type Code	2	18-19	"71"	M
Separator	1	20-20	"*"	M
Tax Period End Date	6	21-26	YYMMDD	M
Separator	1	27-27	"*"	M
Amount Type Code	2	28-29		M
Separator	1	30-30	"*"	M
Amount	10	31-40	\$\$\$\$\$\$\$c	M
Separator	1	41-41	"*"	O
Amount Type Code	2	42-43		O
Separator	1	44-44	"*"	O
Amount	10	45-54	\$\$\$\$\$\$\$c	O
Separator	1	55-55	"*"	O
Amount Type Code	2	56-57		O
Separator	1	58-58	"*"	O
Amount	10	59-68	\$\$\$\$\$\$\$c	O
Segment Terminator	1	69-69	"\	M
Blank Fill	12	70-83		M
Addenda Sequence Number	4	84-87	"0001"	M
Entry Detail Sequence Number	7	88-94		Blank

ADDENDA RECORD Field Descriptions

Record Type Code:	Identifies the NACHA record type. The Addenda Record is always a type "7"
Addenda Type Code:	Identifies the Addenda Record type. Input is always "05".
Segment Identifier:	Fill with "TXP". Identifies the beginning of free-form descriptive detail.
Taxpayer ID Number:	Company's federal tax identification number (FEIN). Do not include a hyphen.
Tax Type Code:	Fill with "71". Identifies the tax payment type as an Insurance tax type.
Tax Period End Date:	Indicates the reporting tax period end Date (Due date – 3/01, 3/15, 4/15, etc). Use YYMMDD format.
Amount Type Code:	Identifies the Tax Liability Designator. Valid fill codes for this field are: " T " Premium Tax Payment " P " Penalty Payment " I " Interest Payment (follow any single letter entry above with a Blank) " ZZ " Other – <u>Insurance Company</u> : use for Total Fees Payment
	Please note: The Addenda Record is able to identify up to three payment types with one transmission. More than one payment may be made to the Insurance Department at one time, but each payment type and amount MUST be individually specified.
Amount:	Indicates amount of each payment type (Amount Type Code). <u>No decimal point.</u>
Segment Terminator:	Fill with "\". Indicates the final addenda record segment.
Addenda Sequence Number:	Fill with "0001". Indicates the addenda sequence
Entry Detail Sequence Number:	Blank fill. Assigned by the sending financial institution.

STATE OF ARIZONA - ACH PAYMENT OPTION INSTRUCTIONS

BATCH CONTROL RECORD

Field Description	Length	Position	Contents	Mandatory/Optional/ Blank
Record Type Code	1	01-01	"8"	M
Service Class Code	3	02-04	"220"	M
Entry/Addenda Count	6	05-10		M
Entry Hash	10	11-20		M
Total Debit Entry Dollar Amount	12	21-32	"000000000000"	M
Total Credit Entry Dollar Amount	12	33-44	\$\$\$\$\$\$\$c¢	M
Company Tax ID Number	10	45-54	"1#####"	M
Message Authentication Code	19	55-73		Blank
Reserved	6	74-79		Blank
Originating DFI ID	8	80-87	"#####"	M
Batch Number	7	88-94		Blank

BATCH CONTROL RECORD Field Descriptions

Record Type Code:	Identifies the NACHA record type. The Batch Control Record is always a type "8".
Service Class Code:	Fill with "220". Indicates the standard service class code for ACH Credits.
Entry/Addenda Count:	The Total number of Entry detail (Record Type '6') Records in this batch.
Entry Hash:	Computed 10-position field which causes high level truncation. The Entry Hash is the sum of the Receiving DFI (Bank of America) identification fields (Field 3) in Entry Detail Records (Record Type '6') in the batch. This field contains the 8-digit routing number of the receiving depository institution (Bank of America). The hash is the arithmetic sum of the 8-digit routing numbers, with overflow out of the high order (leftmost) position ignored. <i>For example: If there are 2 Entry Detail Records in the batch, the Transit Routing Number in Field 3 of the Entry Detail Record (12210170) would be added twice and this Batch Hash field would be filled with "24420340".</i>
Total Debit Entry Dollar Amount:	Zero fill. Not applicable this time.
Total Credit Entry Dollar Amount:	Sum Total of amounts entered in positions 30-39 (Tax Payment Amount) for all credit Entry Detail (Record Type '6') Records in this batch.
Company ID:	Company federal tax identification number (FEIN), preceded by the number "1" and without a hyphen.
Message Authorization Code:	Blank fill. This field is for Bank use only
Reserved:	Blank fill. This field is for Bank use only.
Originating DFI ID:	Originating Bank's ABA Number (no blank check digit). Contact company's financial institution for this information.
Batch Number:	Blank fill. This number is assigned in ascending sequence to each batch in this file.

STATE OF ARIZONA - ACH PAYMENT OPTION INSTRUCTIONS

FILE CONTROL RECORD

Field Description	Length	Position	Contents	Mandatory/Optional/ Blank
Record Type Code	1	01-01	"9"	M
Batch Count	6	02-07	"220"	M
Block Count	6	08-13		M
Entry/Addenda Count	8	14-21		M
Entry Hash	10	22-31		M
Total Debit Entry Dollar Amount	12	32-43	"000000000000"	M
Total Credit Entry Dollar Amount	12	44-55	\$\$\$\$\$\$\$¢¢	M
Reserved	39	56-94		Blank

FILE CONTROL RECORD Field Descriptions

Record Type Code:	Identifies the NACHA record type. The Batch Control Record is always a type "8"
Batch Count:	Fill with "220". Indicates the standard service class code for ACH Credits.
Block Count:	Number of physical blocks in the file, including the File Header and File Control Records. MUST BE FULL, EVEN BLOCK COUNT. An uneven count should be rounded up to the next multiple of 10 by adding appropriate number of 94-character records containing the digit '9' in all 94 positions.
Entry/Addenda Count:	Total number of Entry Detail (Record Type '6'). Records in this file.
Entry Hash:	Computed 10-position field that causes high-level truncation. The Receiving Bank's Transit Routing Number (Field 3) for each Entry Detail (Record Type '6') Record is summed to calculate the File Hash. The Batch Hash in each Batch Control (Record Type '8'). Record is cleared after each Type '8' record is written. The File Hash is never cleared.
Total Debit Entry Dollar Amount:	Zero fill. Not applicable at this time.
Total Credit Entry Dollar Amount:	Sum Total of amounts entered in positions 30-39 (Tax Payment Amount) for all credit Entry Detail (Record Type '6'). Records in this file.
Reserved:	Blank fill. This field is for Bank use only.